GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1529
ANSWERED ON:27.11.2007
FOREIGN DIRECT INVESTMENT IN SPECIAL ECONOMIC ZONES
Patil Shri Pratik Prakashbapu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Ministry of Defence has raised any objection for Foreign Direct Investment (FDI) in Special Economic Zones (SEZs) and has proposed for enacting a National Security Exception Law to ensure that hostile countries do not invest in SEZ;

(b) if so, the details thereof;

(c) whether the Ministry of Defence has also suggested that consent of the armed forces must be obtained before approving the FDI participation in coastal and sensitive areas;

(d) if so, the details thereof; and

(e) the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (e) On the basis of the recommendation of Ministry of Defence, an amendment has been carried out in the SEZ Rules, 2006 on 16th March, 2007 for indicating the extent of FDI, source of FDI including country and company details in the application form for setting up of Special Economic Zones (SEZs). The Board of Approval (BoA) for Special Economic Zones consists of 19 members, including representatives of the Ministry of Defence. All approvals of the BoA are taken on the basis of general consensus.